



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

REVIEWS

ROCHE-AGUSSOL'S PSYCHOLOGIE ÉCONOMIQUE CHEZ LES ANGLO-AMÉRICAINS ¹

OPPORTUNITY is given by these volumes to view the whole contribution of English and American "psychological" economists through the eyes of a young French scholar, admirably schooled in economics under Professor Rist and trained further in law and social philosophy.

Who are the psychological economists? No less than three fairly distinct movements in economic theory may be called psychological. The contributions of the marginal utility analysis — by Jevons, the Austrians and others — constitute one. Next, there is a scattered body of criticism beginning perhaps with Knies, directed against the individualist, hedonist, "self-interest" psychology of the classicals. Critics of this type, having learned from anti-utilitarian moralists or from social psychologists that the hedonist psychology is inaccurate, protested that economic theory based on it must be wrong too, tho they have never been clear as to just how it might be serviceably revised. Their influence, it would appear, has been more pronounced in the English and German speaking countries than in France. The third psychological movement has recently grown out of the second. This school, without disputing seriously the marginal analysis, which takes people's economic wants for granted, attempts to develop by psychological methods a body of positive theory to show why wants are what they are, and how they may be better adapted to external nature. Some writings of Taussig,

¹ Maurice Roche-Agussol: (1) *La Psychologie Économique chez les Anglo-Américains*, pp. 407, 1918; (2) *Étude Bibliographique des Sources de la Psychologie Économique chez les Anglo-Américains*, pp. 127, 1919. Paris, Léon Tenin.

Hobson, J. M. Clark, Parker, and even Carver, are tentative efforts in this direction.

Which of these trends is reflected in Dr. Roche-Agussol's *Psychologie Économique*? He takes no account of the third; and he attempts to deal with the first two groups we have mentioned as a unit. He is a marginal-utility enthusiast, quite in the spirit of Jevons and the American "psychological school" of Fetter and Fisher, and a good part of his work details the triumphs of this analysis over the classicals. Sometimes he speaks of pure economics as if it were the same thing as psychological economics. Yet he seeks all along to show that social psychology, challenging the individualist, hedonist, determinist, optimist psychology, and philosophy of the classicals, has led to important modifications of economic theory. To this end he draws elaborately on American and French sociologists, and among economists especially on J. B. Clark (who seems best to typify for him the psychological economist) for suggestions on moral forces, custom, the organic constitution of society. Clark in turn had drawn from these same sociologists — Dewey, Baldwin, Giddings, and the rest, as well as from the German historical school.

But how far in the end did Clark's social psychology get him from Jevons, who held the most thoro-going hedonist views? Dr. Roche-Agussol does not meet Böhm-Bawerk's protest that the modern theory of value is founded on objective facts of choice, shown by price offers, and not on any special psychological explanation of choice. He does not even realize, apparently, that there is any question about the dependency of the former on the latter. His pure economics (marginal analysis of value and distribution) therefore spins out just as it would on hedonist premises — very competently too — and his sociological interpretations and criticisms get him nowhere in positive economic theory. The proof of this judgment is that he draws indifferently on Jevons, Clark, Fisher, Edgeworth, Wicksteed, for his "psychological" *economics*, whose contributions are undisturbed by the sociological excursions into Tarde, Dewey, Bergson and others.

With these indications of the author's trend, we may glance at the list of authors in his *Étude Bibliographique*; it helps to characterize his main critical work. First there is a group of psychologists and sociologists, evidently those he considers most important in the matter: James, Dewey, Baldwin, Giddings. The omission of McDougall is unaccountable. Then a group of American economists: J. B. Clark, Carver, Patten, Walker, Hawley, Taussig, Fisher, Fetter, Tuttle, Veblen, J. M. Clark. The English group is Jevons, Marshall, Wicksteed, Smart, and Hobson. Biographical notes are given on most of these men, and their productions are briefly summarized and related. Of course Davenport, B. M. Anderson (whose standpoint is very similar to that of Dr. Roche-Agussol), Cannan and others might well have been included, but, working at a distance, the author has collected representative Anglo-American opinion on the many aspects (utility, value, distribution, social welfare, philosophical relations) which are, for him, psychological economics.

Turning now to the principal work, *La Psychologie Économique*, I may say at once it is much more than a rehash. The assessment of credit for particular doctrines to various English and American writers is subordinate to a systematic treatment of the whole marginal economics. The author is well acquainted with the French and Austrian schools, including the mathematical variety, and he is not lacking in original constructive criticism. I regret I cannot do justice to his work in the subtleties of pure economics, wherein the main excellence of the book undoubtedly lies. His figurative style is pleasing, tho the exposition proceeds too much in the abstract, unrelieved by specific illustrative applications. The philosophical relations brought out all along — on just price, for example — are manifold, often novel, and will be valued highly by many readers.

The first of the two main divisions is devoted to "Fundamental Ideas" — method, utility, marginal utility, cost, synthesis of value, wealth. The second part is "Applications" — price, marginal theory in distribution, rent, interest.

In the chapter on method he proceeds from the acceptable

point that value is not fixed by past events but is prospective, based on the future, to the Heracleitian, Bergsonian position that everything is in flux; members of society are constantly inventing and are influencing one another by interplay of minds, by imitation. We must abandon the individualist, mechanist standpoint of the classical economists and turn to social psychology.

The familiar reply is at hand — how can you found science on indeterminism? Explanation and prediction are possible only on the assumption that nature contains uniformities which can be discovered. The author seems to think the mathematical idea of function, of mutually determining variables like quantity and price, fits in with the philosophy of spontaneity. But it is otherwise if the mathematical formulae are supposed to have any correspondence to real phenomena. The instance is one among many of his exaggerated contrast between the marginal and the classical economics, arising from the use of philosophical dialectic.

Fortunately all this does not interfere seriously with his handling of the marginal analysis. The "law of substitution" is developed admirably and at length. In general he follows Fisher and Wicksteed on value, calling in Clark wherever there is a chance. He distinguishes three kinds of cost — utilization, acquisition and of production (Ch. IV). The first is psychic opportunity-cost — the most urgent desire left unsatisfied — and he believes all other costs reduce to this rather than to any kind of unpleasantness. The strength of a single desire is measured by the proportion of the agent's resources it can command.

In regard to the interplay of desires and the judgment of value he invokes the magic of self-realization, insisting that a desire is a very different thing from a pleasure. Very likely; but so far as value is concerned, both work out by the familiar hedonic calculus. Otherwise how could he use the device of infinitesimal increments? He knows, of course, that individual men do not juggle with such increments but in the aggregate (reference to Jevons) demands do show great regularity. This fact should suggest a few puzzles to the indeterminist.

Individual "spontaneity" is just what he would expect; but where does the regularity of the averages come from?

In the discussions of distribution we find Clark's influence most marked; hence little consideration of several important questions in economic psychology. Specific productivity is the key; he shows that the device of increments renovates the Austrian theory of gross imputation; but he fails to criticize the ethical pretensions of Clark's formula. Carver would be a safer guide, saying as he does that the function of a high price is to induce people to increase scarce and highly useful service. Here also there is exaggeration of the contrast between marginal and classical doctrines — solidarity opposed to conflict, and so on.

The analysis of rent is devoted chiefly to the psychological surpluses in labor, in saving, and in consumption; but no attempt is made to appraise their significance in the light of socialist proposals. What would be the effect on the supply and organization of capital and labor, if everyone were given a nearly uniform subsistence, "appropriate to a civilized being?" What is the motivation in inheritance, trademarks, titles? What institutional changes does the nature of motives make possible and desirable for larger welfare? In such questions Dr. Roche-Agussol, like a good pure economist, is apparently not interested. If he were, it is unlikely that his indeterminist, speculative social psychology of twenty years ago would go far toward solving the problems. The objective, biological, mechanistic psychology of the laboratories — sometimes called "behaviorist" — tho it be nearer to old-fashioned associationist-hedonism, is better calculated to lead to a real science of wants, a real philosophy of society.

Z. C. DICKINSON.

UNIVERSITY OF MINNESOTA.